

Filed for intro on 11/04/99

SENATE BILL 24 of the Second Extraordinary Session
By McNally

AN ACT to enact the Employers Health Insurance Responsibility Act
of 1999.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act shall be known as 'The Employers Health
Insurance Responsibility Act of 1999'.

SECTION 2. (a) The general assembly hereby declares that as a matter of public policy, the primary source of health insurance for employed individuals should be an employer sponsored health insurance plan. Furthermore, the general assembly declares that it is a taxable privilege for an employer to conduct business in this state without providing adequate health insurance coverage to the employer's employees who are employed in Tennessee and their spouses and dependents.

(b) For the purpose of this section, an employee or the employee's spouse or dependents are deemed covered if they have obtained adequate health insurance coverage from a source other than the employer, unless the coverage is obtained under the state's TennCare program.

(c) For the purpose of this section, the requirements of 'adequate health insurance coverage' shall be a health insurance plan determined by the department of commerce and insurance to be equal or superior to the benefits provided through the standard healthcare plan established through the Small Employer Group Health Coverage Act.

(d) For the purpose of this section, the requirements of 'adequate health insurance coverage' shall include compliance with the provisions of the Health Insurance Portability and Accountability Act.

(e) The provisions of this section shall apply on and after January 1, 2000 to all employers with two hundred or more employees in Tennessee. The provisions of this section shall apply on and after January 1, 2001 to all employers with one hundred or more employees in Tennessee. The provisions of this section shall apply on and after January 1, 2002 to all employers with twenty-five employees or more in Tennessee.

SECTION 3. The Departments of Revenue and Commerce and Insurance are authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 4. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.